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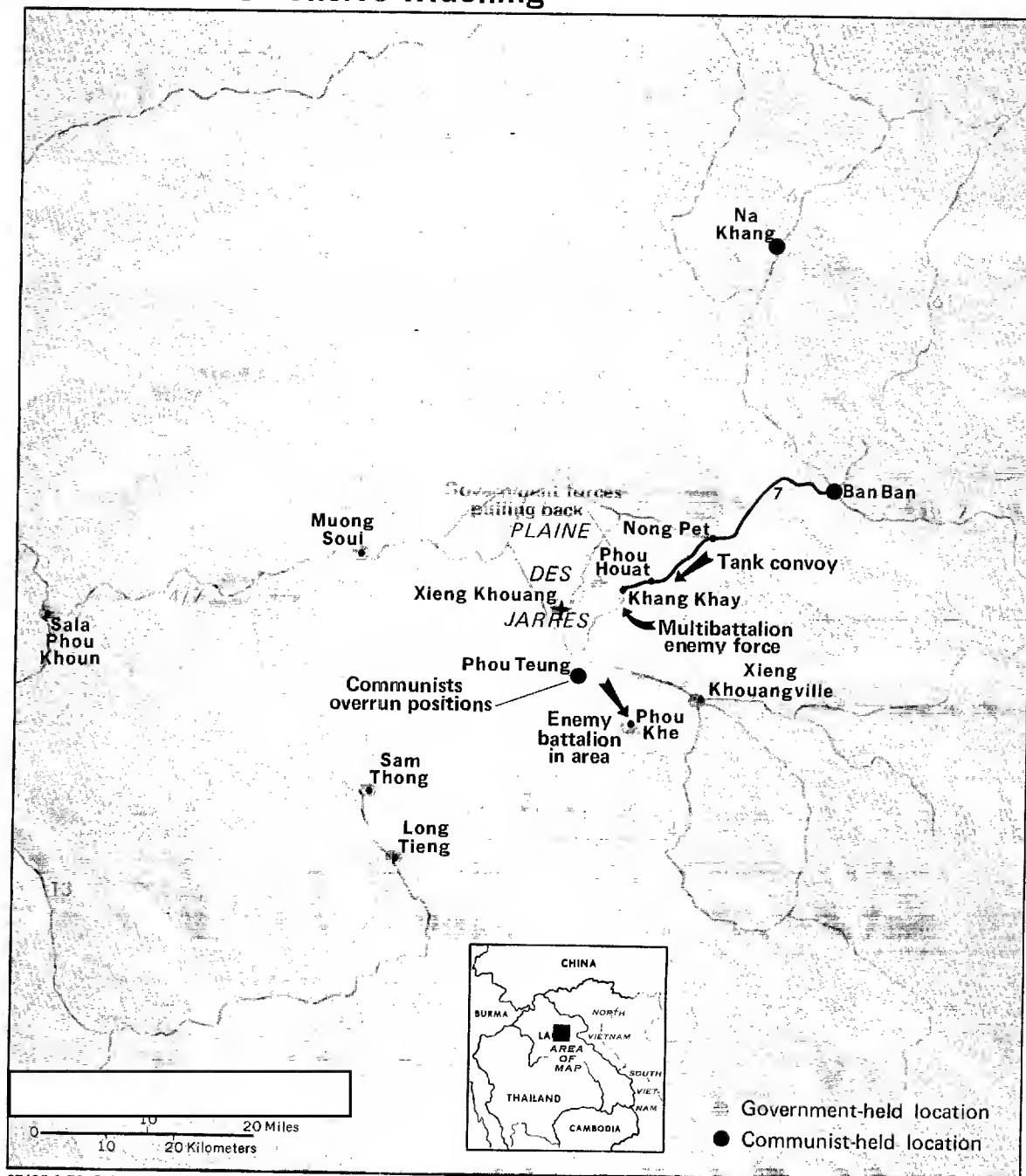
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Communist Offensive Widening



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[Laos: The Communists are widening their offensive against the Plaine des Jarres.

Phou Theung, a prominent mountain top which towers over the southern edge of the Plaine, fell to the enemy during the morning of 13 February. Government patrols report that one enemy battalion is now moving toward Phou Khe, the remaining key terrain feature in this area. Should the Communists capture Phou Khe, which is currently the southern anchor of General Vang Pao's defense line, the government's position at Xieng Khouangville, which lies at the foot of the mountain, would become untenable. Consequently, the enemy would have an unobstructed approach to the Plaine from the southeast.

A strong Communist thrust directed at the heart of the Plaine also appears to be developing. A North Vietnamese convoy of eight light tanks, eight armored cars, and 60 trucks is approaching the outskirts of Khang Khay. Air strikes have been called in on the area and initial accounts indicate some six trucks were destroyed. In addition, government patrols report that approximately three enemy battalions are converging on this area from the southeast. These enemy elements presumably will link up for a concerted push against the government's forward command post at Xieng Khouang airfield.

North of the Plaine, Vang Pao is pulling his forces out of the most vulnerable positions west of Nong Pet and moving them onto the Plaine. In addition, elements of the government's guerrilla force which has been operating within enemy rear areas east of the Plaine have begun arriving on the Plaine and are taking up defensive positions along the western fringes.

Vang Pao's decision to disengage from contact with the enemy to the east and north of the Plaine is based on his desire to keep casualties at a minimum. By concentrating his troops in the more **]**

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[exposed areas of the Plaine, however, the Meo leader may end up defeating his own purposes. While frontal assaults against these positions would undoubtedly prove costly to the enemy, the North Vietnamese have demonstrated time and again that they are prepared to pay the price. At this stage of the offensive, the enemy has not come close to the point of committing its full strength.

At this time, it appears that the Communists will try to wrap up the campaign as soon as possible. The enemy probably is concerned that unless it can bring most of the high points overlooking the Plaine under its control in relatively short order, Vang Pao's guerrillas could make life difficult for Communist forces for some time to come.

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Communist China - US: Peking has sharpened its anti-US propaganda in the aftermath of an inadvertent overflight of South China by an unmanned US reconnaissance plane.

In a strident press release, the Chinese attacked the overflight of 10 February as new evidence of the Nixon administration's "stubborn policy of hostility." Peking's commentary closely resembled its strong attack against the last such US air intrusion in late October. The Chinese also denounced Washington's recent offer of F-100 fighters to Nationalist China.

These articles are the harshest Chinese commentary on Sino-US relations since the Chinese agreed to resume the Warsaw talks. In the weeks following the meeting on 20 January, Chinese propaganda media carried a stream of lengthy attacks against the US, but focused on the "decline" of Washington's international power and its mounting domestic problems. The articles generally avoided direct reference to bilateral issues between Washington and Peking.

The Chinese apparently hoped that such an approach would help to maintain a favorable atmosphere for next week's meeting in Warsaw and perhaps encourage some US flexibility. The recent air intrusion, however, has apparently prompted Peking to return, at least temporarily, to a more virulent anti-US posture in order to demonstrate its fundamental opposition to US Asian policy.

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Communist China: A birth control program is being directed toward the peasants who constitute some 85 percent of China's over 800-million population.

Medical personnel, formerly concentrated in large cities, were transferred en masse last year to the communes, partly for political indoctrination but also to staff the treatment centers established under the new system of medical insurance for peasants. The Shanghai press has stated that birth control is being considered a prime public health goal and that the government is seeking birth control "carried out in a meticulous manner reaching each household and practiced by each individual." According to a doctor who was formerly at a treatment center in Kwangtung Province, the propaganda was reaching the peasants and some headway was being made, but the majority of them were still conservative and un-receptive.

The regime still shuns coercion to gain cooperation, but continues its past practice of cutting off welfare benefits for the fourth child in a family. Even a strongly enforced birth control program, however, is not likely to have a large effect on the rural birth rate and population growth probably will not be reduced below 15 million annually for the foreseeable future. At best, birth control could operate with improved food-raising technology and increased agricultural investments to keep the food-population problem manageable.

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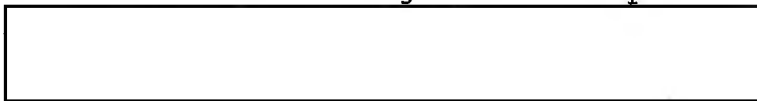
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Philippines: President Marcos has bought some time through concessions to student protesters, but he clearly remains on the defensive.

The students are emboldened by their success in extracting additional concessions from the President, and they will be alert to any foot-dragging by him in honoring them. Their assertiveness has been encouraged by the failure of the political establishment to declare its support for Marcos. This silence has sharpened the picture of his isolation. Marcos' failure to advance initiatives of his own reflects his inability thus far to re-establish his leadership.

The peacefulness of the demonstration on 12 February was partly the result of Marcos' agreement to some form of action on 13 demands made by leftist student and labor leaders during a five-hour meeting with the President the preceding evening. He agreed to dismiss or curb more of his unpopular political associates, promised to investigate charges of corruption, and deferred action on some extreme demands. Although leftist students went ahead with their demonstration, they apparently felt that Marcos had yielded sufficiently to obviate the need for violence at the moment. Also, the unprovocative attitude adopted by the police helped to forestall incidents.

Further demonstrations scheduled for 18 February will probably bring a new round of demands on Marcos. Both moderate and radical student organizations plan to participate.



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[Jordan: Tension between the Arab fedayeen and the government remains high, but leaders of the two sides are continuing to meet.

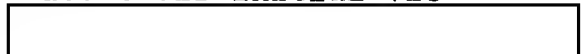
The government has relaxed its control of checkpoints around Amman. The fedayeen are very much in evidence, and still control various areas in Amman. Despite the agreed "cease-fire," some firing incidents have occurred. Fedayeen defiance was indicated in a statement issued by the united fedayeen command on 13 February insisting that Husayn's decrees be canceled entirely if bloodshed is to be halted.

Jordanian Army forces have remained in place in and around the city and have been strengthened.



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The US Embassy believes the King, following his agreement of 12 February to suspend his orders pending new talks, has suffered a considerable loss of prestige and authority which may be difficult to regain. The embassy believes that there is a considerable gap between Husayn's intentions and his will to implement them. The apparent determination of the fedayeen to consolidate their initial victory adds to his problem.



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Zambia: The government is moving to take over control of petroleum procurement and marketing.

Agreement has been reached with the Italian state-owned company, AGIP, to finance and build a \$34-million oil refinery, and a marketing organization is to be created to distribute the refinery's products. AGIP and the Industrial Development Corporation of Zambia will have equal shares in both entities. The refinery, which will have a capacity of 20,000 barrels per day, will meet all of Zambia's domestic fuel needs when it goes into operation in 1972. Some lubricants still will have to be imported, however.

The new marketing organization, together with Zambia's recent acquisition of a 51-percent share of the local marketing organization of Shell/British Petroleum, should provide the government with an effective marketing monopoly. US oil companies, including Mobil, Caltex, and ESSO, probably will be forced either to yield equity to the government or to shift investment to new enterprises; otherwise they will be squeezed out of business.

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East Germany - Austria: The establishment of an Austrian trade mission office in East Berlin has been blocked by East Germany's insistence on giving it certain diplomatic rights and immunities.

The Austrians believe Pankow will seek to establish quasi-diplomatic relations between the two states by insisting on reciprocal rights for the East German trade mission in Vienna. Austria is interested in establishing the trade office, but it does not want diplomatic relations. In the end, the East Germans will probably settle for an office having purely commercial status.

This negotiating tack is part of East Germany's long-standing effort to use expanding commercial ties with the West as a "back door" to eventual diplomatic recognition. To further trade and economic relations with non-Communist states, Pankow on 12 February announced the creation of an "Office for Foreign Economic Relations of the GDR." Empowered to conclude agreements, this office presumably will serve as the contact and coordination point for Western countries interested in establishing economic relations.

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Incidents of Violence in Lesotho



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Lesotho: Two incidents of violence have marred the quiet following Prime Minister Jonathan's seizure of power in late January. An "armed gang" fought with police for several hours about 20 miles south of Maseru on the evening of 10 February. The prime minister's residence and the police headquarters in the capital were the targets of sporadic small-arms fire on 12 February. In both cases, the police quickly put down the challenges, but further trouble is likely. These incidents seem to be attempts by as-yet-unidentified opposition elements to create disorder and eventually bring down the government.



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Turkey: The government crisis has deepened as a result of an internal struggle for power within the ruling Justice Party. Prime Minister Demirel, acting on the unanimous decision of the party leadership, will submit his government's resignation to President Sunay today following a meeting of the cabinet. Sunay may reject the resignation or ask Demirel, as head of the party having the largest parliamentary representation, to try to form a coalition government with either the small, moderate Reliance Party or with the major opposition Republican People's Party. If these efforts fail, Sunay presumably will appoint a caretaker government and call for new elections, probably in June to coincide with the senatorial elections already scheduled.

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